

SUBJECT: WELFARE REFORM AND UNIVERSAL CREDIT UPDATE
DIRECTORATE: CHIEF EXECUTIVE
LEAD OFFICER: ROB KAY, WELFARE REFORM AND PROJECTS OFFICER

1. Purpose of Report

- 1.1 To provide Joint Committee with an update regarding the national and local position of welfare reform, with a specific focus on Universal Credit (UC) for this particular report.

2. Executive Summary

- 2.1 This report provides Joint Committee with an update on Universal Credit to include reference to the national and local position of Universal Credit, City of Lincoln, North Kesteven and the Shared Service preparations for roll-out to Full Service, migration of customers in receipt of legacy benefits and the potential impact of migration to City of Lincoln and North Kesteven rent arrears.

3. Background

- 3.1 Future reports will provide Joint Committee with an up to date position on the following:
- National Progress
 - Full Service
 - Impact on the Councils income (Rent, Council Tax and Overpayments)
 - Universal Support Team
 - Background Papers.

4. National Progress – Universal Credit

- 4.1 Latest figures published by the Department for Work and Pensions (DWP) were released on 22nd January 2019, with statistics relevant to the period up to 13th December 2018.
- 1,572,145 households receiving UC
 - 581,383 were in employment.
- 4.2 It is expected managed payment figures will increase as the roll-out to Full Service gains momentum. A managed payment can be applied for by the landlord for payment of rent or rent arrears deduction. The payment of UC Housing Costs would be paid direct to the landlord. Landlords are required to complete a form requesting this.

4.3 **New Update:** DWP have announced that they are developing a Private Landlord Portal, whilst this is possibly better for the landlord to apply, this takes away the original concept of UC being paid direct to the tenant and budgeting.

5. **Recent Universal Credit changes – Autumn 2018 budget announcement and January 2019 announcement**

5.1 **Appendix 1** shows all recent announcements from the Autumn Budget 2018 and January 2019, along with updates as to how these will impact customers and the local authority.

6. **Impact on the Councils income – Rent**

6.1 The Welfare Reform and Project Officer has been working with City of Lincoln Housing and North Kesteven Housing colleagues to monitor the impact UC claims are currently having on rent collection.

6.2 The data shows that of the 976 City of Lincoln tenants in receipt of UC, as of 31st December 2018, there is an increase in arrears, for 485 tenants totalling £157,595.91. 462 arrears decreased by £110,840.66 from date of claim
289 not in arrears or in credit

6.3 The data shows that of the 124 North Kesteven tenants in receipt of UC, as of 31st December 2018, there is an increase in arrears, for 100 tenants totalling £51,152.

7. **Universal Support Team**

7.1 The team continue to work on a rota basis and are located in Lincoln Jobcentre 9am – 12pm & 1pm – 4pm every day to be on hand to support customers. A dedicated e-mail address and telephone number are also in place, for direct access to this team.

7.2 Providing Assisted Digital Support (ADS) for customers wishing to make a claim by:

- Supporting the customer to transact with Universal Credit using a personal computer or their specific device
- Ensuring the customer keeps log-in credentials safe
- Setting up a personal email address if the customer doesn't already have one
- Ensuring that the customer is able to access their email account to retrieve the email code
- Ensuring that the customer is aware of the details they need to have to hand to safely complete their identity verification and claim Universal Credit
- Supporting the customer to scan relevant documents to process a claim
- Ensuring that the customer understands how to access the 'partner code' and the requirement for their partner to complete their online claim using the partner code

Helping our customers maintain their Universal Credit claim by providing assistance in:

- Managing their claim via the online Universal Credit account on whatever device they have access to
- Managing their own email account on whatever device they have access to
- Navigating the platform and clearing their personal 'To do' list

- Making journal entries
- Uploading documents including their CV and medical certificates
- Notifying a change of circumstances
- Making enquiries
- Printing documents

Provide Personal Budgeting Support (PBS) for our customers by:

- Supporting customers to manage their monthly payments and prioritise essential bills such as rent
- Supporting customers who require personal budgeting assistance to manage their Universal Credit. The support to be offered includes:
 - Identifying the appropriate channel and provider to deliver personal budgeting support and referring the customer to the right place immediately
 - Providing, or arranging, telephone or face to face personal budgeting support and follow up action as appropriate
 - Referring customers who may need an alternative payment arrangement to Jobcentre Plus
 - Referring customers to Welfare Advice for other support services such as debt advice

Resulting in claimants being able to:

- Understand their Universal Credit award and what they can claim as well as entitlement to other benefits or grants
- Work out monthly income and outgoings
- Recognise priority bills, such as rent
- Identify and cut back on non-essentials
- Complete and maintain a budgeting plan
- Convert from a Post Office card accounts/Simple payments to more appropriate banking products, including a transactional bank account
- • Set up or re-organise direct debits for prioritised payments.

7.3 The UC Support Team and Benefits Team Leaders are currently reviewing how UC claims are processed and will be putting guidance together for all processing staff. The guidance will clarify processes relating to the cessation of relevant Housing Benefit claims, processing Council Tax Support and allocating overpayments to the correct recovery method.

7.4 **The UC Dashboard**

The UC Dashboard has been updated with statistical information and provides, at a quick glance, key information relating to the teams outputs, along with regional and national updates as of the end of quarter two. This can be seen in **Appendix 2 (City of Lincoln)** and **Appendix 3 (North Kesteven)**.

8. Welfare Reform Strategy Action Plan

- 8.1 Progress with our shared service's 'high level' Welfare Reform Strategy Action Plan and Universal Credit Preparation Plan is to be monitored by Joint Committee, on a quarterly basis.

Updates on progress of both plans are provided at **Appendix 4** to this report. The action plan is fluid and flexible to respond to changes in welfare reform related priorities, changes and demands.

9. Excellence in Partnership Working

- 9.1 Our Revenues and Benefits Shared Service secured a prestigious national award in October 2018 – the Institute of Revenues Rating and Valuation (IRRV)'s 'Excellence in Partnership Working' accolade. Whilst the submission for this award did focus on the shared service as a whole, there was also a key section around our UC support work with local DWP and the 'flagship' service provided to our customers.

10. Strategic Priorities

- 10.1 **City of Lincoln: Let's drive economic growth and North Kesteven: Our economy and Our Community:** An understanding of Universal Credit and its wider impacts on City of Lincoln residents and arrears levels is important when reducing poverty and driving economic growth across the City. The aim of Universal Credit is to provide a simplified means tested benefits system, with the objective of avoiding the poverty trap, where there is a disincentive to work longer hours because of the loss of benefits and higher taxes.
- 10.2 **City of Lincoln: Let's drive economic growth and North Kesteven: Our economy and Our Community:** - A key role in reducing inequality by ensuring residents receive the benefits they are entitled to and providing money / debt advice. There are strategic priorities when engaging with those in receipt of Welfare Benefits, Digital Inclusion, Channel Shift/ Customer Experience, Financial Inclusion and Partnership Working are all key priorities as part of this report.

11. Organisational Impacts

- 11.1 **Finance:** There could be significant financial implications to local authorities (for example, as landlords) as set out in previous updates of this report.
- 11.2 **Legal implications inc Procurement Rules:** There are no direct Legal or Procurement implications arising from this report.

12. Risk Implications

- 12.1 The Council bears the risk of any rent arrears which are not fully recovered

13. Recommendation

13.1 Operational Board notes this report – and that an update will be presented at the next meeting of this Committee, on 4 June 2019.

Key Decision No

Do the Exempt Information Categories Apply No

Call In and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

Does the report contain Appendices? Yes

If Yes, how many Appendices?

Appendix 1: Universal Credit Changes – 2019
Appendix 2: Universal Credit Dashboard – City of Lincoln
Appendix 3: Universal Credit Dashboard – North Kesteven
Appendix 4: Welfare Reform Action Plan

List of Background Papers:

No

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